

Attachment 12

Army Subcontracting Plan Guidance

This attachment contains Army regulatory guidance on individual small business subcontracting plans for Army contracts. (This guidance varies from the DESC format adopted by Army Materiel Command Power Procurement Office.)

Army Federal Acquisition Regulation Supplement (AFARS)

Subpart 5119.7 -- Subcontracting With Small Business, Small Disadvantaged and Woman-Owned Small Business Concerns

5119.704 -- Subcontracting Plan Requirements.

(a) Subcontracting plans required by FAR 19.702(a)(1) and (2) should be realistic, challenging, achievable, with positive percentage and dollar goals for subcontracting with Small Business (SB) concerns, Small Disadvantaged Business (SDB) concerns, Women-Owned Small Business (WOSB), Service-Disabled Veteran-Owned Small Business (S-D V-O SB), Veteran-Owned Small Business (V-SB), Historically Underutilized Business Zone (HUBZone) concerns, and Historically Black Colleges and Universities (HBCU), Minority Institutions (MI), Hispanic Serving Institutions (HIS), and Tribal Council Universities.

5119.705 -- Responsibilities of the Contracting Officer Under the Subcontracting Assistance Program.

5119.705-4 -- Reviewing the Subcontracting Plan.

(d) Contracting officers must --

(i) Use the guide at Appendix DD to evaluate all subcontracting plans, except those for commercial items; and

(ii) Require submission of subcontracting plans that cover the required elements to their satisfaction, notwithstanding the score given a plan evaluated in accordance with Appendix DD. Plans are not acceptable if they do not --

(A) Adequately address the six required statutory elements; or

(B) Provide sufficient information to enable the contracting officer to answer affirmatively questions A through H of Appendix DD, Part 2, Number 8.

(iii) Carefully consider the acceptability of any plan with a score of 70 or fewer points. Identify those areas where the plan is deficient, and discuss them with the offeror to try to get the deficiencies corrected. After discussions, if plans are still scored at 70 or fewer points and are determined acceptable, include the rationale for that determination in the contract file. Provide a copy of the determination and rationale to the local Small Business Specialist.

AFARS -- Appendix DD Subcontracting Plan Evaluation Guide, June 1, 1996

Part 1 -- Introduction

DD-100 Purpose.

The guide provides a methodology for uniform and consistent evaluation of subcontracting plans within the Army. It is designed to facilitate compliance with the mandates of Public Law to increase opportunities for small and small disadvantaged businesses.

DD-101 Applicability.

Except for subcontracting plans for commercial items, use this guide to review all subcontracting plans, including those submitted in response to the conditions described in FAR 19.705-2(d) and DFARS 219.705-2(d). See 19.708(b)(1) for special notices to be inserted in the solicitation regarding submission of subcontracting plans. A copy of the completed evaluation shall be included in the contract file.

DD-102 Goals.

Contracting officers must place special emphasis on negotiating reasonable goals in subcontracting plans. The goals must be realistic, challenging and attainable. The plan must demonstrate a real commitment to, and an active involvement in, providing subcontracting opportunities for small and small disadvantaged businesses.

DD-103 Scoring.

Score subcontracting plans in the context of the particular procurement. For instance, in smaller dollar value contracts, it may be impracticable or not cost effective for offerors to take the type of actions that may be appropriate in contracts for larger dollar values. However, in such cases, offerors must still address each element of the guide and discuss what they intend to do regarding each element. Contracting officers shall then assign appropriate point scores.

DD-104 Modification of Guide.

The evaluation guide and scoring system shall not be modified without the approval of the PARC. This approval authority may not be delegated.

DD-105 Use of Preaward Surveys.

For contracts administered by the Defense Contract Management Agency (DCMA), information needed to assess contractor compliance with subcontracting plans in current and previous contracts may be obtained by requesting a preaward survey in accordance with FAR 9.106.

Part 2 -- Scoring System***1. Policy statement or evidence of internal guidance to 0-5 company buyers recognizing commitment to Pub.L. 99-661, Section 1207, and Pub.L. 100-180, Section 806.***

0 No written policy statement in plan.

1-2 Plan includes a general policy, but no evidence of recognition of special emphasis being placed on subcontracting with SDBs, HBCUs and MIs as a result of Pub.L.s.

3-5 Definitive corporate and management commitment evidenced in individual plan and master plan by specifically referencing the Pub.L.s.

2. Efforts to broaden SB and SDB active vendor base. 0-10 (FAR 19.704(a), 52.219-9(d), DFARS Subpart 219.5, 219.704(a)(1), 219.705 and 252.219-7003)

0 Description of efforts merely parrots requirements of FAR to maintain listing of vendors.

1-2 Contains evidence that effort is directed at increasing subcontracts to SBs and SDBs for non-complex and general housekeeping supplies or services normally awarded to firms already in existing vendor base.

3-10 Addresses efforts to increase the number of SB and SDB sources awarded subcontracts, establishes plans to use competition restricted to SDBs and gives details about how plans to use competition restricted to SDBs will be accomplished. (DFARS 219.705-4 and Subpart 219.5)

Note: After scoring the plan to this point, if zero points have been assigned for Element 2, proceed to Item 3, Outreach. If one or more points have been assigned for this Element 2, proceed to evaluation of the subelements labeled "minus 2" and "minus 3" to determine if points assigned so far must be reduced. Do not reduce points already assigned to less than zero. (No negative points are to be entered under "Points Assigned" for any Element.) These negative scores are additive; if both of the subelements apply, then minus five points are assessed to reduce points already assigned under this element 2.

minus 2 Includes efforts described above which rate 1-2 or 3-10 points but, when it would be appropriate, does not address effort to involve HBCUs and MIs in performing the contract for which the subcontracting plan is submitted. (DFARS 219.704(a)(1) and 219.705-4(d))

minus 3 Includes efforts described above which rate 1-2 or 3-10 points but does not address effort to identify and overcome obstacles which may prohibit award to HBCU and MI sources currently in vendor base.

***3. Outreach (ongoing and planned actions) 0-10
(FAR 19.704(a), 19.705-4, 52.219-9(d) and
52.219-9(e), DFARS 219.705).***

0 No mention of outreach.

1-4 Describes efforts to work with organizations in FAR 52.219-9(d)(11)(iv) to identify potential sources for items not traditionally awarded to SB or SDB firms. (FAR 52.219-9(d)(11)(iv) and 52.219-9(e))

5-10 Indicates intent to conduct reviews to determine the competence, ability, experience and capacity available in SB or SDB firms and to provide technical assistance to SBs and SDBs or explains why such reviews or technical assistance are not appropriate. (FAR 19.705-4(c) and 52.219-9(e))

Note: After scoring the plan to this point, if zero points have been assigned for Element 3, proceed to Item 4, Description of supplies and services. If one or more points have been assigned for this Element 3, proceed to evaluation of the subelement labeled "minus 3" to determine if points assigned so far must be reduced. Do not reduce points already assigned to less than zero. (No negative points are to be entered under "Points Assigned" for any Element.)

minus 3 Fails to indicate the extent to which HBCU and MI participation will be considered and facilitated in performing the contract for which the subcontracting plan is submitted, or fails to indicate other efforts to increase HBCU and MI participation in future DoD acquisitions. (DFARS 219.705-4(d))

***4. Describes supplies and services to be subcontracted 0-10
and planned for subcontracting to SBs, SDBs, HBCUs
and MIs. (FAR 19.705-4(d), 52.219-9(d)(3), 52.219-9(e)
and DFARS 219.705).***

0 No mention.

1-4 Generic list of routine supplies and services included in materials listing for the specific contract.

5-7 Indicates intent to review major product/system components and key project elements of R&D, construction, service and spare parts contracts for subcontracting to SBs, SDBs, HBCUs and MIs. (FAR 19.705-4(d)(3) and (4), 52.219-9(e)(1) and (2) and DFARS 219.705)

8-10 Substantive plan actually targets specific SBs, SDBs, HBCUs and MIs for review to determine their competence, ability, experience and capacity and identifies specific components or major portions of the acquisition for consideration of SB, SDB, HBCU or MI competition. Also, indicates intent to work with large business subcontractors for major subsystems or

key project elements to ensure "flowdown" of this philosophy. (FAR 19.705-4(d) and DFARS 219.705)

5. Describes specific efforts, based on results of efforts 0-15 described in Elements No. 3 and No. 4 to ensure that SB, SDB, HBCU and MI concerns have equitable opportunity to participate in acquisitions. (FAR 19.704(a), 19.705-4, 52.219-9(d) and DFARS 219.705).

0 No mention.

1-4 Description of efforts merely parrots FAR 19.704(a)(3) and (6) and 52.219-9(d)(8).

5-8 Describes how the company intends to evaluate its own SB and SDB award performance and program effectiveness against the established goals, both company-wide and for the individual plan being negotiated. (FAR 19.704(a)(1) and (6) and 52.219-9(d)(11)(v))

9-12 Includes SBs, SDBs, HBCUs and MIs by name as members of original team for producing specific major components or subassemblies, providing a major service or performing a significant portion of the effort. (DFARS 219.705-2(d))

13-15 Describes special efforts to establish long-range relationships with SBs, SDBs, HBCUs and MIs, including leader-follower techniques, when appropriate. (FAR 19.705-4(d)(4) and DFARS 219.705-2(d))

6. Development of percentage goal is based on planned 0-40 subcontracting which is challenging, yet realistic. (FAR 19.705-4(d), DFARS 219.704(a)(1) and 219.705-4).

0 Fails to include a specific goal for subcontracting with SBs, SDBs, HBCUs and MIs or proposes zero percent goal without substantive justification.

1-5 Sets small business goal of less than 10 percent and/or SDB/HBCU/MI goal of two percent or less with no significant justification.

6-10 Sets goals of less than 10 percent (SB) and 2 percent (SDB), but contractor shows evidence of reasonable effort, including use of set-asides, to involve Sbs, SDBs, HBCUs or MIs in non-traditional areas.

11-20 Sets goals of over 10 percent (SB) and 2 percent (SDB) and also identifies specific SB, SDB, HBCU or MI concerns planned to be subcontractors, including the item or service or effort to be subcontracted. Indicates

extent to which firms have participated in proposal preparation or otherwise indicates extent to which subcontracting to these firms may reasonably be assured. Goals are realistic in view of actions stated in other portions of the plan and make-or-buy plan, if applicable.

21-30 Same as for 11-20 points, but proposed percent of goal is reasonable in comparison with prior experience, yet indicates reasonable effort to improve on past experience in terms of dollars, number of SDBs, HBCUs, and MIs involved, and movement into area without previous SDB, HBCU or MI involvement.

31-40 Same as 21-30 points, but includes evidence that if SBs, universities or institutions other than HBCUs or MIs are performing on a major component or subassembly, providing a major service or performing on a key project element, SDBs, HBCUs and MIs will also be given an opportunity to perform. Also, the percentage of the SDB, HBCU, MI goal compares favorably with the percentage of SB goal, consistent with the Government-wide goals of 20 percent to SB with five percent to SDB, or is otherwise explained, and the plan includes a forecast for improvement. (The SB and SDB goals in the subcontracting plan should approximate the ratio between the SB and SDB Government-wide goals.)

7. Past performance. 0-10

Extent to which the company has historically been successful in establishing realistic, yet challenging, goals and achieving them. Consider DCMC comments on prime contractor's justifications for prior failure to achieve goals. To avoid penalizing the contractor when there has been no previous defense contract, assign 10 points. (FAR 19.705-4(d)(1) and (d)(2)(iii), 19.706 and DFARS 219.706).

8. Other regulatory and statutory requirements.

If any of the following are answered "NO," the plan is not acceptable and must be revised to comply prior to award:
Does the plan have --

A. A separate goal for SB and SDB? (FAR 19.704(a)(1) and FAR 52.219-9(d)(1) and (2))
YES NO

B. A separate goal for the basic contract and, if applicable, each option? (FAR 19.704(c))
YES NO

C. The name of the company employee responsible for administration of plan and employee's duties? (FAR 19.704(a)(2) and 52.219-9(d)(7))
YES NO

D. A statement affirming intent to comply with subcontracting "flowdown" provisions? (FAR 19.704(a)(4) and 52.219-9(d)(10))
YES NO

E. A statement affirming willingness to cooperate in studies and to provide reports? (FAR 19.704(a)(5) and 52.219-9(d)(10))
YES NO

F. A statement that indirect costs are either included or excluded from the proposed goals and, if included, how they will be prorated? (FAR 52.219-9(d)(6))
YES NO

G. A description of efforts to ensure that SBs and SDBs have an equitable opportunity to participate in the acquisition? (FAR 52.219-9(d)(8))
YES NO

H. A recitation of the types of records maintained to demonstrate procedures adopted to comply with the requirements and goal in the plan? (FAR 52.219-9(d)(11))
YES NO